

# 2007-2008 PERFORMANCE PLAN – Sr. Investment Officer, Real Estate (T. Eliopoulos)

## *Quantitative Performance Measures*

Weight	Factor	Performance Measure	Incentive Schedule	2 <sup>nd</sup> Quarter Status
5%	Core Industrial Sector Performance	Excess returns in basis points of the Total Core Industrial Portfolio return before fees versus the Disaggregated NCREIF Industrial Sub-Index, for the fiscal year ending June 30, 2008, (returns lag one quarter).	0 basis points = 0 + 50 basis points = 1.0 +75 basis points = 1.5	+510 bps {20.8 - 15.7}
5%	Core Office Sector Performance	Excess returns in basis points of the Total Core Office Portfolio return before fees versus the Disaggregated NCREIF Office Sub-Index, for the fiscal year ending June 30, 2008, (returns lag one quarter).	0 basis points = 0 + 50 basis points = 1.0 +75 basis points = 1.5	+230 bps {25.1 - 22.8}
5%	Core Retail Sector Performance	Excess returns in basis points of the Total Core Retail Portfolio return before fees versus the Disaggregated NCREIF Core Retail Sub-Index, for the fiscal year ending June 30, 2008, (returns lag one quarter).	0 basis points = 0 + 50 basis points = 1.0 +75 basis points = 1.5	+360 bps {16.3 - 12.7}
5%	Core Multi-Family Sector Performance	Excess returns in basis points of the Total Core Multi-Family Portfolio return before fees versus the Disaggregated NCREIF Core Multi-Family Sub-Index, for the fiscal year ending June 30, 2008, (returns lag one quarter).	0 basis points = 0 + 50 basis points = 1.0 +75 basis points = 1.5	-110 bps {12.0 - 13.1}
10%	Total Core Portfolio Performance	Excess returns in basis points of the Total Core Portfolio return before fees versus the Disaggregated NCREIF Total Performance, for the fiscal year ending June 30, 2008, (returns lag one quarter).	0 basis points = 0 + 50 basis points = 1.0 +75 basis points = 1.5	+110 bps {18.2 - 17.1}
30%	Non-Core Portfolio Performance	Total Non Core portfolio return before fees exceeds NCREIF Total Performance for the fiscal year ending June 30, 2008 (returns lag one quarter, 30% weight).	0 basis points = 0 +100 basis points = 1.0 + 150 basis points = 1.5	-410 bps {13.0 - 17.1}
25%	Total Fund Performance	Excess return in basis points relative to total fund performance benchmark (SJIC – CPERSTOT).	-40 basis points = 0 0 basis points = 1.0 +20 basis points =1.5	-57 bps {2.53 - 3.10}
85%	Subtotal	Quantitative Measures		

# 2007-2008 PERFORMANCE PLAN – Sr. Investment Officer, Real Estate (T. Eliopoulos)

## *Qualitative Performance Measures*

Weight	Factor	Performance Measure	Incentive Schedule	2 <sup>nd</sup> Quarter Status
15%	Leadership	<p>Demonstrate leadership within CalPERS and in the external investment community, as both industry and staff (or team) leaders. Dimensions, all of which will be considered, include:</p> <ul style="list-style-type: none"> <li>• <b>Within Investment Group</b> (e.g., teamwork within and across asset classes, timely preparation of staff performance appraisals, appropriate employee recognition)</li> <li>• <b>Trustees</b> (e.g., written and oral presentations to Investment Committee and Investment Policy Subcommittee)</li> <li>• <b>CalPERS</b> (e.g., involvement in enterprise-wide initiatives and programs)</li> <li>• <b>External Investment Community</b> (e.g., relationships with external business partners and stakeholders, presentations at conferences and similar events, representation on external boards and committees)</li> <li>• <b>Diversity</b> (e.g., promote meaningful diversity among our investment partners and staff)</li> <li>• <b>Succession Plan</b> (e.g., training and developing strong internal candidates to potentially fill my role in the future)</li> </ul>	From Schedule	<p>On 10/1/07 attended/participated in the California Investment Conference, Los Angeles.</p> <p>On 10/11/07, met with the African Infrastructure Development Fund.</p> <p>On 10/19/07 participated in the CalPERS Strategic Planning Off-site.</p> <p>On 10/22/07 attended the CalPERS 2007 Educational Forum, Anaheim.</p> <p>During the 2nd quarter, continued to work with Asset Allocation/Risk Management group and other business partners in the development of the new Infrastructure Policy and management of assets.</p> <p>On 11/19/07 and 11/20/07, prepared Real Estate proposal and presented information to the Asset Liability Workshop.</p> <p>On 11/05-06/07, attended the Pension Forum on domestic urban markets in Atlanta, GA.</p>

## 2007-2008 PERFORMANCE PLAN – Sr. Investment Officer, Real Estate (T. Eliopoulos)

### *Qualitative Performance Measures (cont.)*

Weight	Factor	Performance Measure	Incentive Schedule	2 <sup>nd</sup> Quarter Status
	Leadership (cont.)			<p>On 12/05/07, presented an overview of the Real Estate portfolio at three different sessions of the Quarterly All Staff Forum "Money Matters".</p> <p>On 11/30/07, recognized K. Sievwright's commitment to CalPERS' Core Values with an ACE award during INVO Quarterly Forum.</p> <p>On 11/08/07 participated with senior staff in reviewing the Employee Opinion Survey Results.</p> <p>Worked cooperatively with INVO Administrative staff and SMSD to develop and present for approval the Mid-Year 2007-08 Budget Requests and the 2008/09 Budget Requests.</p> <p>On 12/03/07 participated in the Quarterly Leadership Event for the CalPERS Enterprise.</p> <p>On 12/4/07, participated in the 3-year business planning event for the enterprise.</p>

## 2007-2008 PERFORMANCE PLAN – Sr. Investment Officer, Real Estate (T. Eliopoulos)

### *Qualitative Performance Measures (cont.)*

Weight	Factor	Performance Measure	Incentive Schedule	2 <sup>nd</sup> Quarter Status
	Leadership (cont.)			<p>On 12/06-07/07, participated in the INVO Strategic Planning Workshop.</p> <p>During the 2nd quarter, presented detailed reports and summaries to the Investment Committee in both open and closed sessions related to the Real Estate portfolio. Also briefed CalPERS executive staff, Board members, INVO executive staff and Senior Investment Officers on issues related to the RE portfolio.</p> <p>Demonstrated commitment to Diversity Policy by canvassing a larger applicant pool when recruiting for REU, resulting in a well-educated and skilled staff that is also diverse.</p> <p>Demonstrated commitment to the success of the new investment staff by developing and implementing a training and development plan.</p>

# 2007-2008 PERFORMANCE PLAN – Sr. Investment Officer, Real Estate (T. Eliopoulos)

## *Qualitative Performance Measures (cont.)*

Weight	Factor	Performance Measure	Incentive Schedule	2 <sup>nd</sup> Quarter Status
	Leadership (cont.)  Including CalPERS Enterprise wide Objectives:	<u><b>Enterprise Compliance:</b></u> By June 30, 2008: <ul style="list-style-type: none"> <li>Identify all policies and regulations for the Investment Office and the tools and monitoring methods used to ensure compliance;</li> <li>Ensure that all appropriate staff have completed ethics training and are knowledgeable regarding policy, rules and regulations affecting their positions; and</li> <li>Perform compliance risk assessment of policies, rules and regulations for the Investment Office.</li> </ul>	From Schedule	During the second quarter, senior staff reviewed and evaluated responses for the AREIS RFP and interviewed potential vendors. Participated in the selection process that resulted in an intent to award notification to the winning vendor/consultant.  During 2nd quarter, monitored the compliance to ethics rules and gift reporting.  During the quarter, worked with newly hired staff to ensure they completed ethics training and were knowledgeable about the rules affecting them as Investment Officers.
15%	Subtotal	Qualitative Measures		
100%	Total	Quantitative and Qualitative Measures		